

TEACHERS' RETIREMENT BOARD  
BENEFITS AND SERVICES COMMITTEE

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SUBJECT: Level of Service Standards

ITEM NUMBER:   4  

ATTACHMENT:   2  

ACTION:       

DATE OF MEETING: November 6, 2002

INFORMATION:   X  

PRESENTERS(S): Michael Carter

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**EXECUTIVE SUMMARY**

The Level of Service report provides the Benefits and Services Committee with the necessary information to fulfill its oversight responsibility regarding the delivery of benefits and services to CalSTRS members. The following reports for September 2002.

**I. Overview**

- A. CalSTRS paid a total of 180,210 benefit recipients \$383,749,598 in September 2002. The average monthly allowance roll for FY 2002/03 is \$378,166,128. Total disbursements for FY 2002/03 are \$1,134,498,384.
- B. Service Retirements – One hundred percent of initial payments were processed within 30 days, resulting in no disruption of cash flow for CalSTRS members. Regarding Finalizations, staff are pleased to report that 95.5 percent of June 2002 retirements have been finalized. This represents a significant accomplishment in that June 2002 represents over 50 percent of the annual retirements; accordingly, finalizations for this month most significantly impacts goal attainment for the entire year.
- C. Disability – Disability benefits continue to be processed within Board established standards (98 percent of applications processed within the established timeframe and 100 percent of payments made within the 30 days). A total of 212 cases have been closed for the year. A total of 27 cases were not approved (11 cancels, 1 disapproved, 15 rejected for statutory reasons).
- D. Survivor Benefits Cases Over Six Months – A small percentage of the total case inventory for this unit may be protracted and require an extended period of time to process. In these situations, it does not suggest that the caseworker has not been in contact with clients representing the deceased member or payee. It does, however, note that all the necessary documentation to pay the benefits to all the eligible beneficiaries is not complete. The basic responsibility of the caseworker is to begin the process by explaining what documentation is required. It is the party representing the member or

payee's responsibility to provide the documents to CalSTRS. Awaiting all the documentation takes time and benefits cannot be paid until the documentation is received. In addition, a case is not complete until all eligible beneficiaries are paid. On average, there are three beneficiaries per case and an average of three different payments due with each beneficiary sharing equally all benefits payable. Some of the reasons that cases are delayed include:

- Competing claims for the benefits or a challenging case scenario that are not easily interrupted by the staff. The caseworker or supervisor would prepare a case fact sheet and this would be sent to our Legal Office for their review and recommendation.
- Awaiting promised documentation. Many times the beneficiary needs to get a death certificate for a beneficiary that has predeceased the member. If this happens to be from another state it can take many months. In California the average time it takes to get a death certificate is 12 weeks.
- Awaiting documents related to the succession of declaration process can take many months. This involves estates that have not been probated.
- Cases where the payee has died and there is no benefits payable but the accrued payment. Because this case would normally not have a named beneficiary, we are required to pay the estate and determine if it's being probated or not. Many times we cannot even locate a responsible person to return the last monthly allowance. These are overpayment situations that must be cleared with the Accounting Unit.
- In many of these cases, we are dealing with elderly individuals that need to make life decisions that they need to obtain additional financial advice in order to make these choices. The beneficiaries that we are dealing with frequently change their minds on issues such as tax withholding, the rolling over of funds and now they wish not to have the monies rolled over after the case has been processed.

The above scenarios are regular events for the Survivor Benefit staff. Hopefully, this discussion provides some insight regarding processing timeframes for this benefit.

- E. Call Center - The call center service levels continue to improve with 77 percent of all calls answered within 3 minutes. Busy messages continue to drop and the average queue time was 0.87 minutes. We successfully obtained hiring freeze exemptions for all call center vacancies on 10/8/02, and, as of mid October, job offers have been made for the supervisor, team leader, and four customer service representative positions with start dates ranging from 10/22/02 to 11/18/02. Job offers on the final three customer service representative positions are pending file review and reference checks. We expect to have vacancies filled, staff on board, and training complete in time for the anticipated increased call volume related to the mailing of 1099s in late January and February.

- F. Service Credit Purchases - As of October 19, 2002, the inventory of billings was 1,899, down from a high of 4,172. With average incoming volumes of 949/month thus far in fiscal year 2002/2003, this represents about two months' work, or generally speaking, a one-month backlog. Over 86 percent of the 1,899 were received in the last 4 ½ months with only a few of the most complex requests remaining from prior months. Daily overtime will continue until we are operating on a flow basis.
- G. Customer Service Initiative - The Governor signed SB 1983 in late September giving CalSTRS 29 additional positions for direct customer service functions and one position for customer satisfaction/needs assessment. We received the required hiring freeze exemptions and are moving to find the additional space necessary to house these individuals. Next steps will include defining duty statements, advertising, and hiring for the positions with a target hire date of January 2003. Concurrent with the hiring process, we are discussing the scope of responsibility, procedures, and communication processes for the new correspondence and phone-counseling units.
- H. Interest Payments - None were made for Disability benefits. Service Retirements paid \$134 for 4 applications. Survivor Benefits paid \$9,867 for 129 reported deaths. This is in comparison to a total of \$12,044 paid for 183 cases in December 2001. This increase is directly attributable to the backlog of Survivor Benefit cases.
- I. Fiscal Year 2002-2003 CalSTRS Production Objectives – Attachment I

## II. Individual Program Reports: Pages 1-8

## III. Miscellaneous Items: Pages 9-10

# CalSTRS PRODUCTION OBJECTIVES 2002-2003 FISCAL YEAR

Page 1

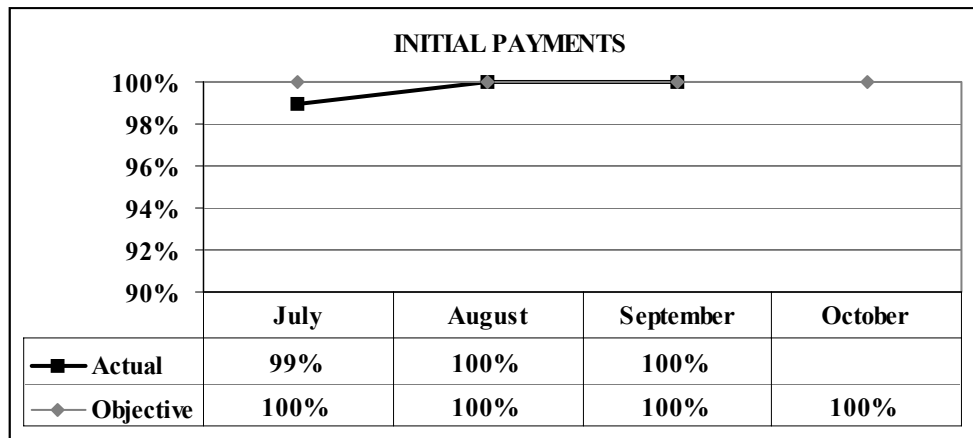
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## Service Retirements

**Objective** Process 100 percent of all service retirement application payments within 30 days of the retirement effective date or receipt of completed application, whichever is later.

**Application Volume Change** Increased 14 percent in comparison to same period last fiscal year.

**Baseline** FY 2001/02 actual: 99 percent



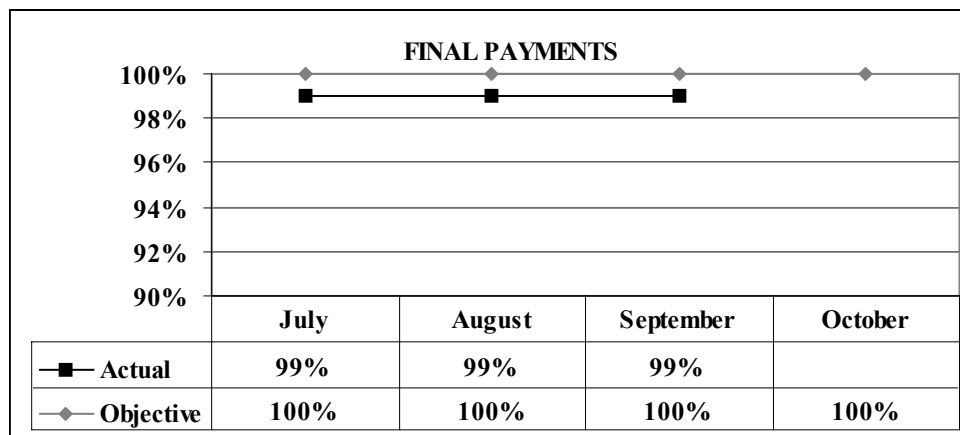
**Year to Date Average: 100%**

**Objective** Process 100 percent of all final service retirement payments within 45 days of receipt of all necessary information.

**Interest Payments** September 2002: 9 payments/\$140

Current Year Cumulative:  
15 payments/\$420  
Current Year Monthly Average:  
5 payments/\$140  
Prior Year Monthly Average:  
17 payments/\$327

**Baseline** FY 2001/02 actual: 99 percent



**Year to Date Average 99%**

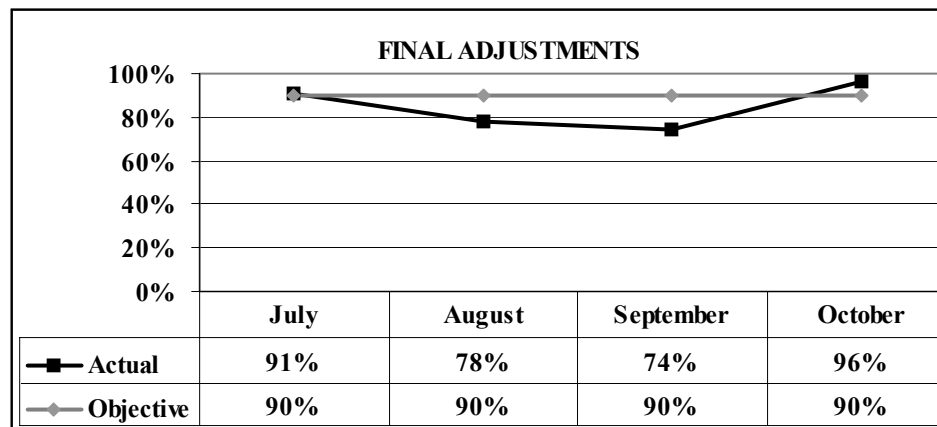
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## **Service Retirements**

**Objective** Finalize 90 percent of all payments within four months of the retirement effective date.



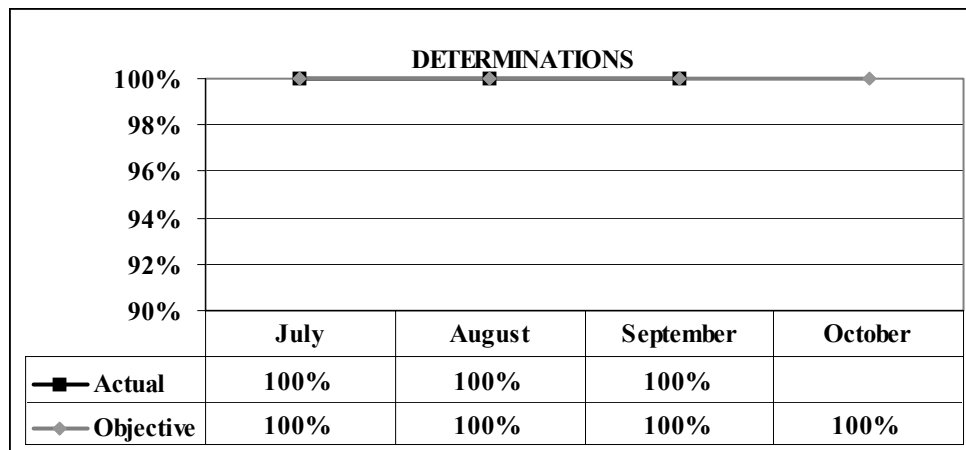
**Baseline** FY 2001/02 actual: 90 percent

**Year to Date Average:** 94%

## **Disability**

**Objective** Process 100 percent of all eligible applications within 180 days of receipt.

**Application Volume Change** Plus one percent in comparison to same period last fiscal year.



**Baseline** FY 2001/02 actual: 99 percent

**Year to Date Average:** 100%

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## Disability

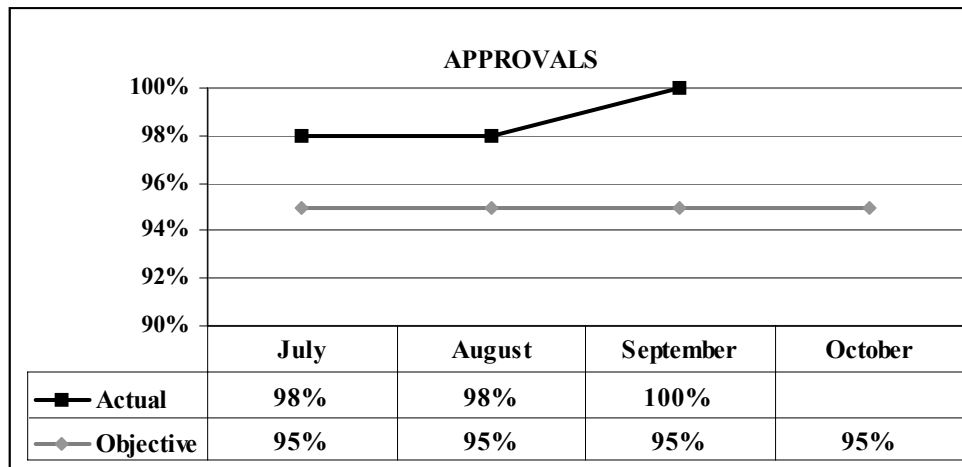
**Objective** Process 95 percent of all approvals within 30 days of receipt of all necessary information.

**Interest Payments** September 2002: None

Current Year Cumulative:  
None

Current Year Monthly Average:  
None

Prior Year Monthly Average:  
None



**Baseline** FY 2001/02 actual: 99 percent

**Year to Date Average:** 99%

## Survivor Benefits

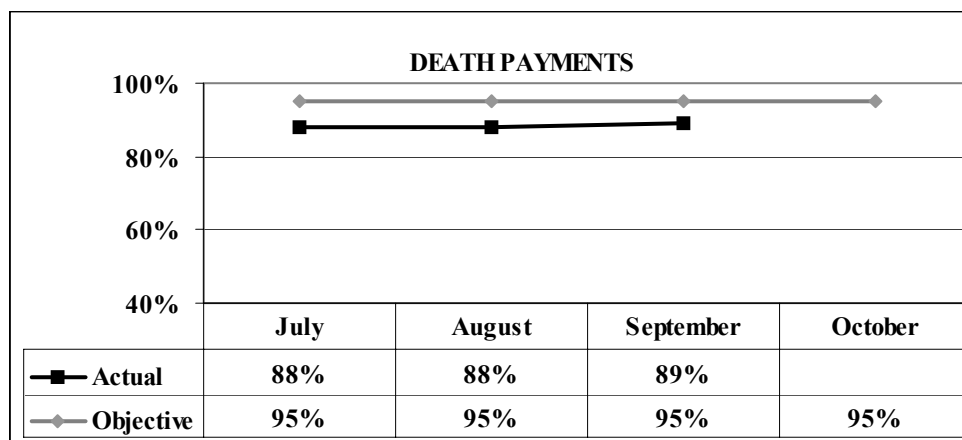
**Objective** Process 95 percent of all applications within 30 days of receipt of all necessary information.

**Interest Payments** September 2002: 96 Payments/\$7,441

Current Year Cumulative:  
372 payments/\$30,347

Current Year Monthly Average:  
124 payments/\$10,116

Prior Year Monthly Average:  
250 payments/\$13,504



**Baseline** FY 2001/02 actual: 71 percent

**Year to Date Average:** 88%

# CalSTRS PRODUCTION OBJECTIVES 2002-2003 FISCAL YEAR

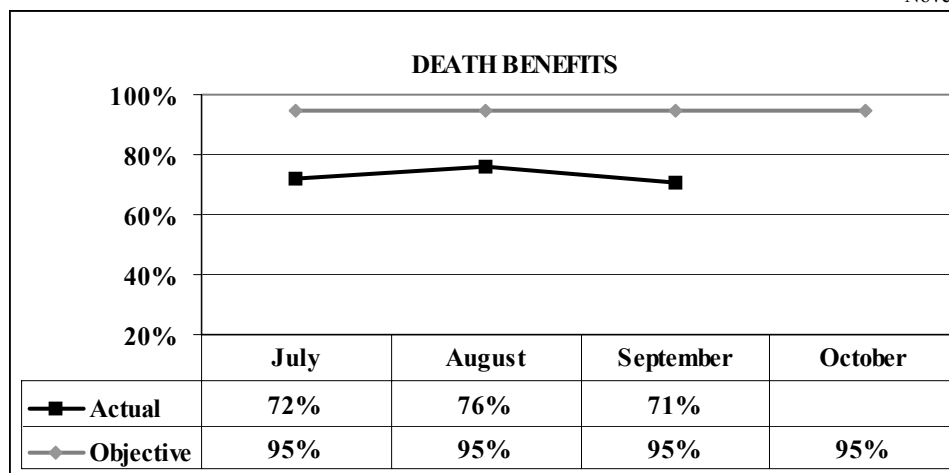
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## Survivor Benefits

### Objective

Complete 95 percent of all payments for retired members within 90 days of receipt of notification of death.



**Baseline** FY 2001/02 actual: 44 percent

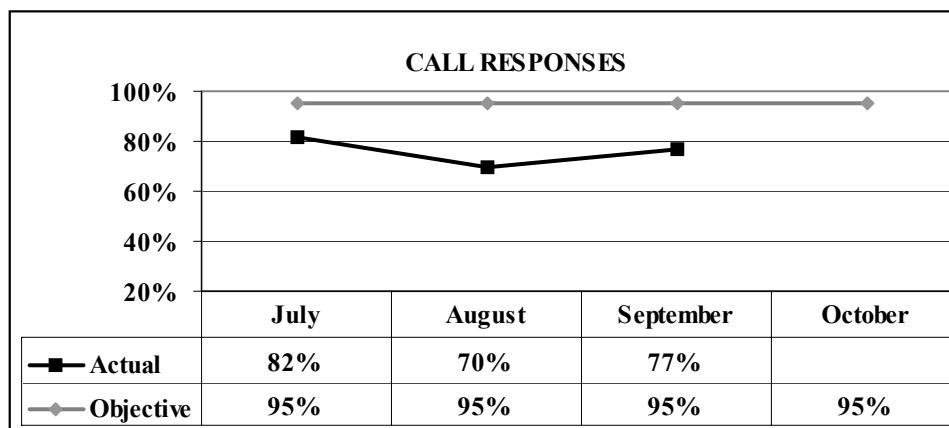
**Year to Date Average:** 73%

## Public Service

**Objective** Answer 95 percent of all calls in less than three minutes.

**Volume Change** 46.13 percent increase

**Notes** Average queue time: 52 seconds  
Longest queue wait: 22 minutes



**Baseline** FY 2001/02 actual: 62 percent  
FY 1996/97 Objective:  
75 percent in less than three minutes.

**Year to Date Average:** 76%

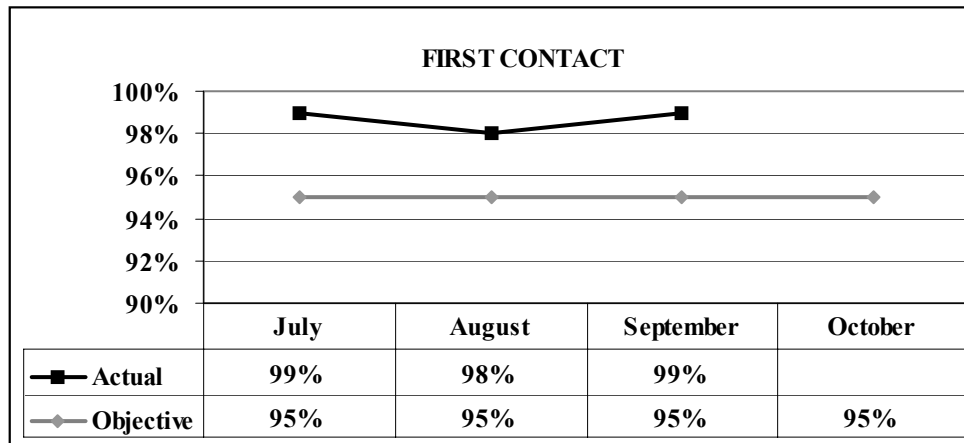
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## **Public Service**

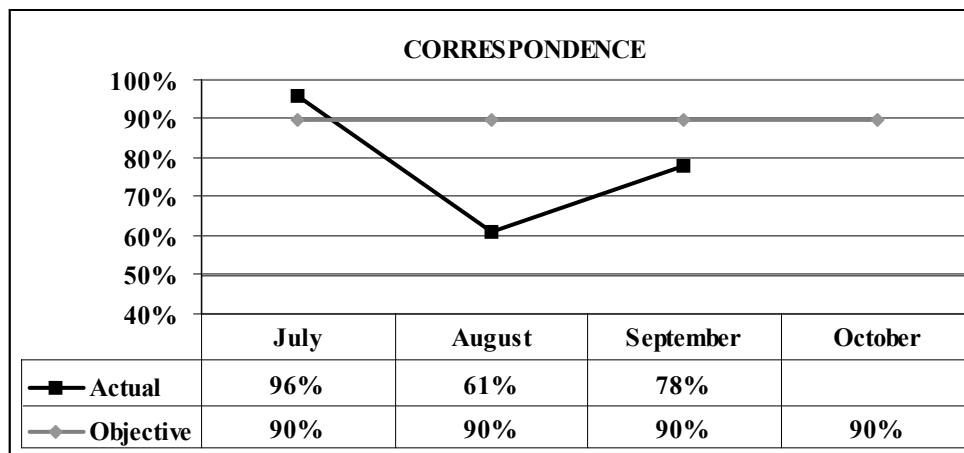
**Objective**      Answer 95 percent of all calls on the first contact.



**Baseline**      FY 2001/02 actual: 98 percent

**Year to Date Average: 99%**

**Objective**      Respond to 90 percent of all correspondence in ten working days.



**Baseline**      FY 2001/02 actual: 61 percent

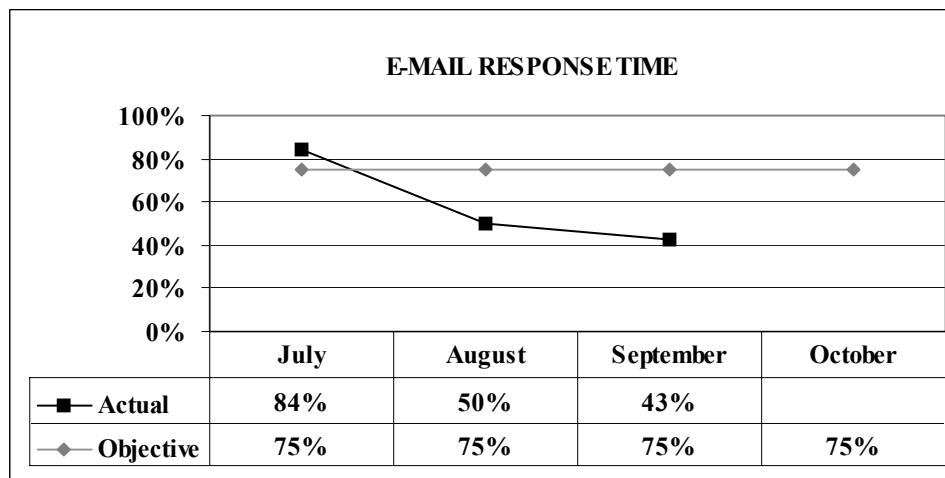
**Year to Date Average: 78%**



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**Objective** Respond to 75% of e-mails within three working days

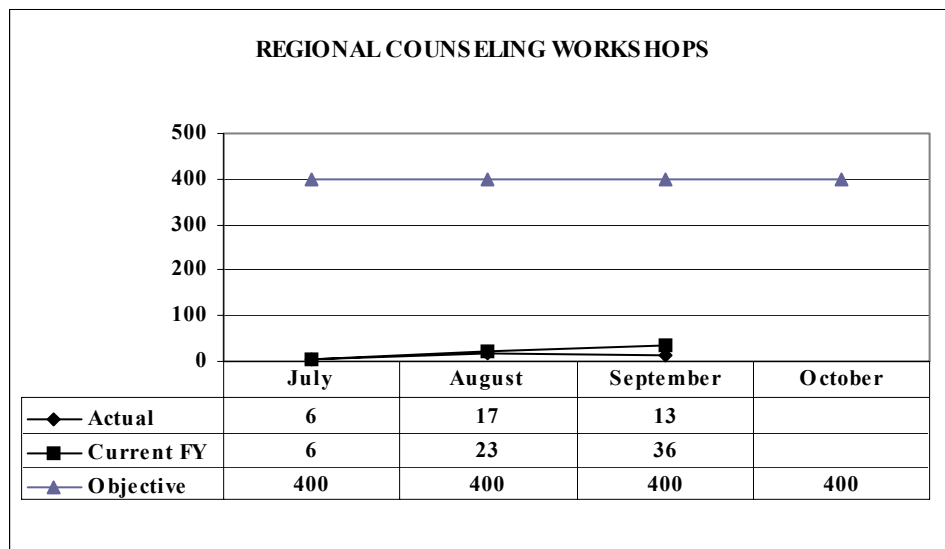


Year to Date Average: 59%

**Baseline** FY 2001/2002 actual: 41%

### Regional Counseling Services

**Objective** Conduct 400 workshops



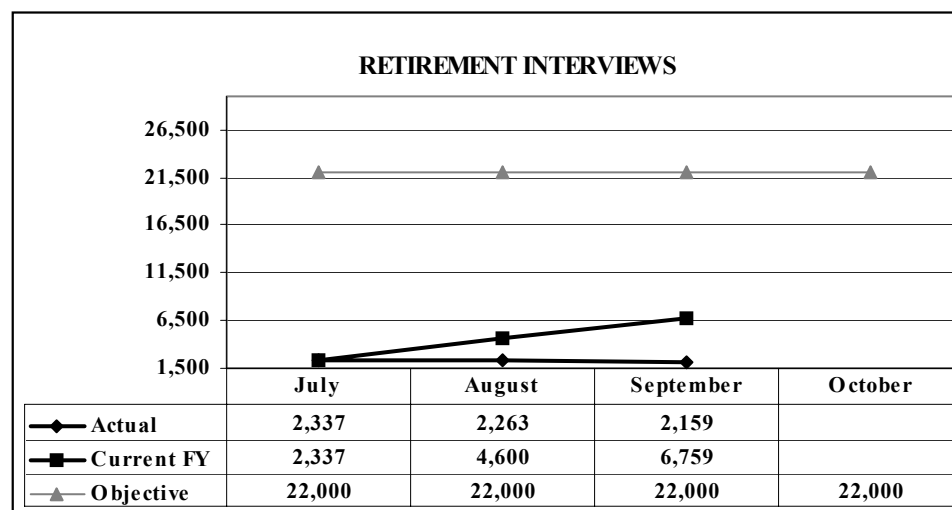
**Baseline** FY 2001/02 actual: 497

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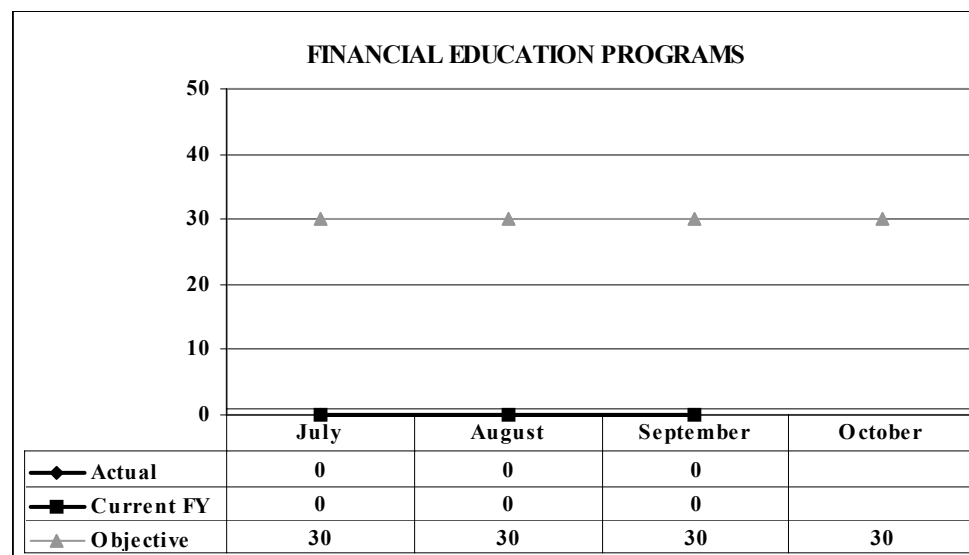
### Regional Counseling Services

**Objective** Provide 22,000 retirement interviews.



**Baseline** FY 2001/02 actual: 31,477

**Objective** Deliver 30 Financial Education Program to CalSTRS members.

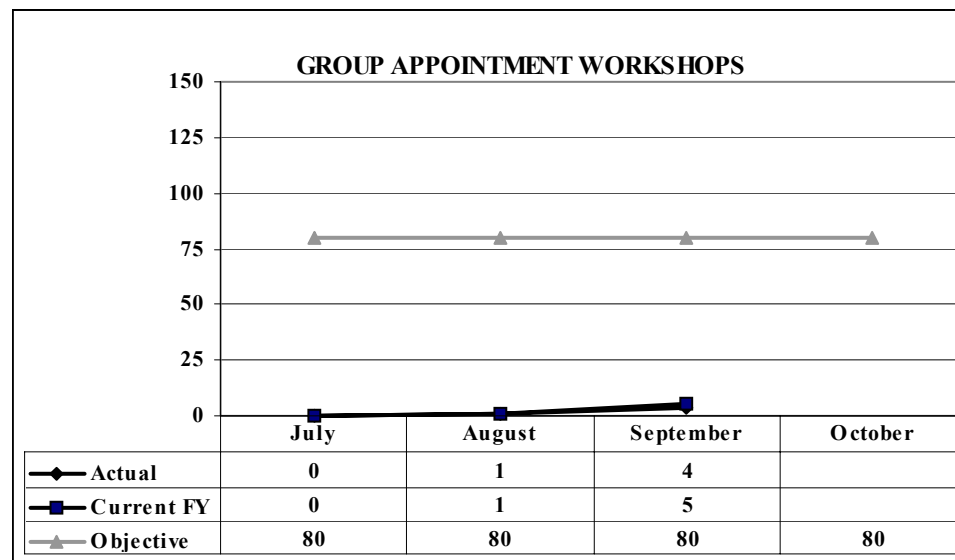


**Baseline** FY 2001/02 actual: 29

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**Objective** Deliver 30 Group Appointment Workshops to CalSTRS members.



**Baseline** FY 2002/02 Actual: 29

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**Miscellaneous**

**A. Outstanding Survivor Benefit Cases:**

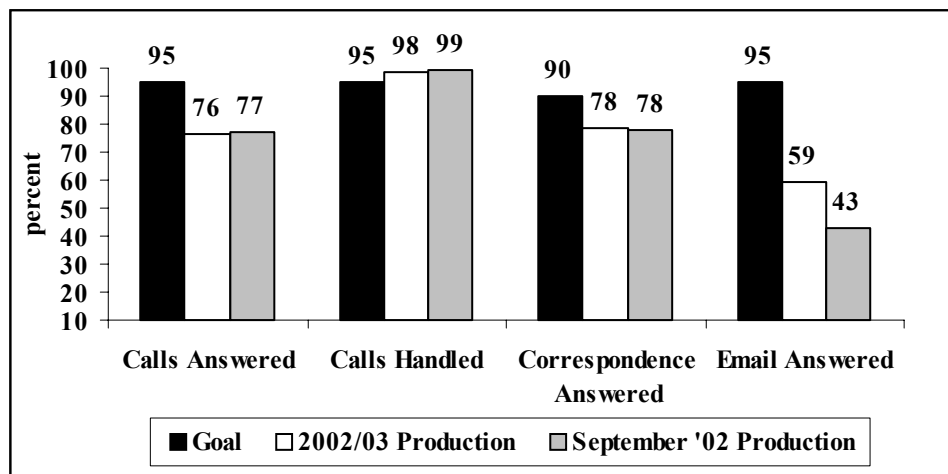
The Education Code requires a report to the Board on outstanding Survivor Benefit cases not paid within six months of the notification of death. As of September there were 101 exceeding this threshold. In August 2002, there were 114 cases beyond the six-month processing period, while in July there were 48 cases exceeding the six-month threshold.

**B. One-Year Final Compensation:** During the current fiscal year, no school districts have chosen to participate in this program.

**C. Golden Handshake:**

July - September - 2001	26 districts / 82 participants
July - September - 2002	19 districts / 84 participants

**D. Telephone Center:**

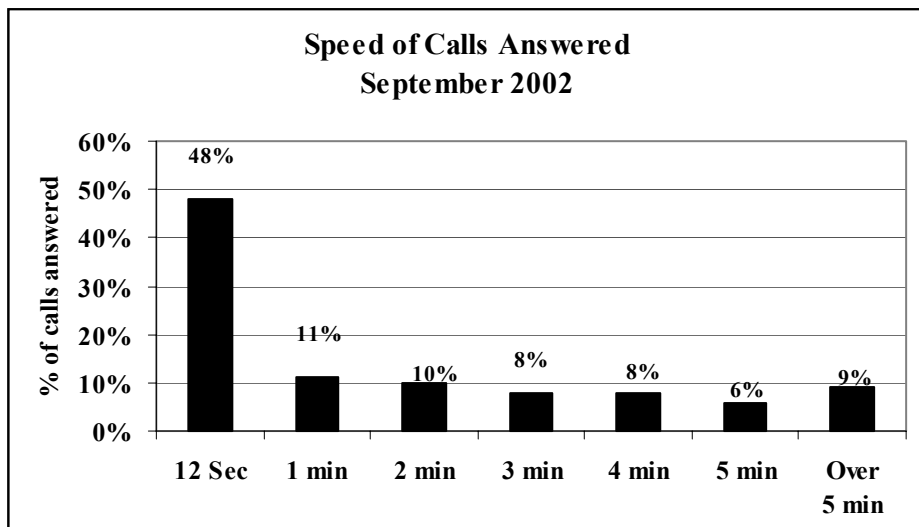
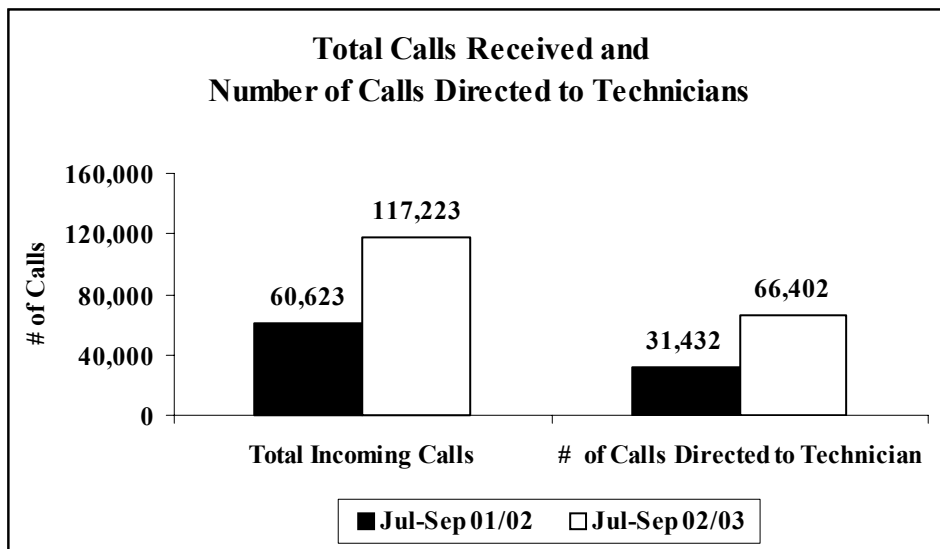


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**D. Telephone Center: (continued)**

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**CalSTRS**  
**Fiscal Year 2002/03**  
**PRODUCTION OBJECTIVES**

**SERVICE RETIREMENTS**

- ✓ *Process 100 percent of service retirement application payments within 30 days of the retirement effective date or receipt of completed application, whichever is later\**
- ✓ *Complete 100 percent of final service retirement payments within 45 days of receipt of all necessary information\**
- ✓ *Finalize at minimum 90 percent of service retirement payments within four months of retirement effective date*

**SURVIVOR BENEFITS**

- ✓ *Process at minimum 95 percent of applications within 30 days of receipt of all necessary information\**
- ✓ *Complete at minimum 95 percent of death benefit payments for retired members within 90 days of receipt of notification of death*

**DISABILITY SERVICES**

- ✓ *Process 100 percent of eligible applications within 180 days of receipt*
- ✓ *Process at minimum 95 percent of approvals within 30 days of last required document*

**PUBLIC SERVICE**

- ✓ *Answer at minimum 95 percent of calls in less than three minutes*
- ✓ *Answer at minimum 95 percent of calls within one minute (effective 4/03)*
- ✓ *Answer at minimum 95 percent of calls on the first contact*
- ✓ *Respond to at minimum 90 percent of correspondence in ten working days*
- ✓ *Respond to at minimum 95 percent of correspondence in three working days (effective 4/03)*
- ✓ *Respond to at minimum 75 percent of e-mails in three working days*
- ✓ *Respond to at minimum 95 percent of e-mails within one working day (eff. 4/03)*

**REGIONAL COUNSELING SERVICES**

- ✓ *Conduct at minimum 400 workshops*
- ✓ *Provide at minimum 31,700 retirement interviews*
- ✓ *Deliver at minimum 120 group appointment workshops*
- ✓ *Deliver at minimum 3,200 telephone counseling interviews*

**FINANCIAL EDUCATION PROGRAM**

- ✓ *Deliver at minimum 30 Financial Education Program workshops to CalSTRS members*

\*The accomplishment of this objective will minimize interest penalty payments resulting from processing delays.